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| | | |
|--|--|---|
| Form 990  Department of the Treasury Internal Revenue Service | Return of Organization Exempt From Income Tax Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation) | OMB No 1545-0047 <div> <div>2009</div> <div>Open to Public Inspection</div> </div> |
| | The organization may have to use a copy of this return to satisfy state reporting requirements | |

| | | | | |
|--|---|--|--|---|
| A For the 2009 calendar year, or tax year beginning 01-01-2009 and ending 12-31-2009 | | | | |
| B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending | Please use IRS label or print or type. See Specific Instructions. | C Name of organization Southbridge Credit Union | | D Employer identification number 04-2023790 |
| | | Doing Business As | | E Telephone number (508) 765-5454 |
| | | Number and street (or P O box if mail is not delivered to street address) 205 Main Street | Room/suite | G Gross receipts \$ 42,567,729 |
| | | City or town, state or country, and ZIP + 4 Southbridge, MA 015502524 | | |
| | F Name and address of principal officer Terry D Lisle 205 MAIN STREET Southbridge, MA 015502524 | | H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) H(c) Group exemption number | |
| I Tax-exempt status <input checked="" type="checkbox"/> 501(c) (14) (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527 | | | | |
| J Website: www.sbgecu.org | | | | |
| K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other | | L Year of formation 1938 | M State of legal domicile MA | |

| Part I Summary | | | |
|-----------------------------|---|----------------------------------|---------------------|
| Activities & Governance | 1 Briefly describe the organization's mission or most significant activities Provide Financial products and personalized services that will assist our members in achieving their financial goals | | |
| | 2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets | | |
| | 3 Number of voting members of the governing body (Part VI, line 1a) 3 <u>1</u> | | |
| | 4 Number of independent voting members of the governing body (Part VI, line 1b) 4 <u>1</u> | | |
| | 5 Total number of employees (Part V, line 2a) 5 <u>5</u> | | |
| | 6 Total number of volunteers (estimate if necessary) 6 <u></u> | | |
| | 7a Total gross unrelated business revenue from Part VIII, column (C), line 12 7a <u></u> | | |
| | b Net unrelated business taxable income from Form 990-T, line 34 7b <u></u> | | |
| Revenue | 8 Contributions and grants (Part VIII, line 1h) | Prior Year | Current Year |
| | 9 Program service revenue (Part VIII, line 2g) | 0 | 0 |
| | 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) | 7,689,645 | 7,361,343 |
| | 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | 1,818,788 | 1,541,002 |
| | 12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) | 80,963 | 432,068 |
| | | 9,589,396 | 9,334,413 |
| Expenses | 13 Grants and similar amounts paid (Part IX, column (A), lines 1–3) | 0 | 0 |
| | 14 Benefits paid to or for members (Part IX, column (A), line 4) | 0 | 0 |
| | 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10) | 2,802,715 | 3,024,499 |
| | 16a Professional fundraising fees (Part IX, column (A), line 11e) | 0 | 0 |
| | b Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0 | | |
| | 17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f) | 6,789,524 | 6,973,888 |
| | 18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25) | 9,592,239 | 9,998,387 |
| | 19 Revenue less expenses Subtract line 18 from line 12 | -2,843 | -663,974 |
| Net Assets or Fund Balances | | Beginning of Current Year | End of Year |
| | 20 Total assets (Part X, line 16) | 166,101,977 | 177,034,862 |
| | 21 Total liabilities (Part X, line 26) | 145,388,419 | 156,134,669 |
| | 22 Net assets or fund balances Subtract line 21 from line 20 | 20,713,558 | 20,900,193 |

| | |
|---------------------------------|---|
| Part II Signature Block | |
| Sign Here | Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge |
| | <div> <div>*****</div> <div>Signature of officer</div> </div> <div> <div>2010-09-10</div> <div>Date</div> </div> |
| | <div> <div>Terry D Lisle Chief Financial Officer</div> <div>Type or print name and title</div> </div> |
| Paid Preparer's Use Only | <div> <div>Preparer's signature</div> <div>Michael J Rowe CPA</div> </div> <div> <div>Date</div> <div>2010-08-13</div> </div> <div> <div>Check if self-employed</div> <div><input checked="" type="checkbox"/></div> </div> <div> <div>Preparer's identifying number (see instructions)</div> </div> |
| | <div> <div>Firm's name (or yours if self-employed), address, and ZIP + 4</div> <div> <div>WOLF & COMPANY PC</div> <div>99 HIGH STREET 21ST FLOOR</div> <div>BOSTON, MA 02110</div> </div> </div> |
| | <div> <div>EIN</div> <div>Phone no (617) 439-9700</div> </div> |

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

Part III

Statement of Program Service Accomplishments

1

Briefly describe the organization's mission

PROVIDE FINANCIAL PRODUCTS AND PERSONALIZED SERVICES THAT WILL ASSIST OUR MEMBERS IN ACHIEVING THEIR FINANCIAL GOALS

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

Yes

☒

No

If "Yes," describe these new services on Schedule O

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

Yes

☒

No

If "Yes," describe these changes on Schedule O

4

Describe the exempt purpose achievements for each of the organization's three largest program services by expenses

Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a

(Code) (Expenses \$ including grants of \$) (Revenue \$)

SOUTHBRIDGE CREDIT UNION IS A MEMBER-OWNED CREDIT UNION THAT COMMITTED TO PROVIDING ITS MEMBERS WITH SUPERIOR FINANCIAL SERVICES ITS PRIMARY FUNCTION IS TO PROVIDE LOANS TO ITS MEMBERS AS WELL AS ACCEPT DEPOSITS FROM THEM LOAN REVENUE OF \$6,591,127

4b

(Code) (Expenses \$ including grants of \$) (Revenue \$)

SHARE ACCOUNTS INTEREST PAID ON SHARE ACCOUNTS \$3,296,706

4c

(Code) (Expenses \$ including grants of \$) (Revenue \$)

SAFE DEPOSIT BOXES rentals \$12,663

4d

Other program services (Describe in Schedule O)

(Expenses \$ including grants of \$) (Revenue \$)

4e

Total program service expenses

\$

Form 990 (2009)

Part IV Checklist of Required Schedules

| | | Yes | No |
|-----|---|-----|-----|
| 1 | Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A | 1 | No |
| 2 | Is the organization required to complete Schedule B, Schedule of Contributors? | 2 | No |
| 3 | Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I | 3 | No |
| 4 | Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II | 4 | |
| 5 | Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III | 5 | |
| 6 | Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I | 6 | No |
| 7 | Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II | 7 | No |
| 8 | Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III | 8 | No |
| 9 | Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV | 9 | No |
| 10 | Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V | 10 | No |
| 11 | Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable. | 11 | Yes |
| | • Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI. | | |
| | • Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII. | | |
| | • Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII. | | |
| | • Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX. | | |
| | • Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X. | | |
| | • Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? If "Yes," complete Schedule D, Part X. | | |
| 12 | Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII | 12 | Yes |
| 12A | Was the organization included in consolidated, independent audited financial statements for the tax year? | Yes | No |
| | If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional | 12A | No |
| 13 | Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E | 13 | No |
| 14a | Did the organization maintain an office, employees, or agents outside of the United States? | 14a | No |
| 14b | Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Part I | 14b | No |
| 15 | Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? If "Yes," complete Schedule F, Part II | 15 | No |
| 16 | Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? If "Yes," complete Schedule F, Part III | 16 | No |
| 17 | Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I | 17 | No |
| 18 | Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II | 18 | No |
| 19 | Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III | 19 | No |
| 20 | Did the organization operate one or more hospitals? If "Yes," complete Schedule H | 20 | No |

Part IV

Checklist of Required Schedules (continued)

| | | | | |
|-----|--|-----|-----|----|
| 21 | Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> | 21 | | No |
| 22 | Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> | 22 | | No |
| 23 | Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> | 23 | Yes | |
| 24a | Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25</i> | 24a | | No |
| b | Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? | 24b | | |
| c | Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? | 24c | | |
| d | Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? | 24d | | |
| 25a | Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> | 25a | | |
| b | Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> | 25b | | |
| 26 | Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i> | 26 | | No |
| 27 | Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i> | 27 | | No |
| 28 | Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions) | | | |
| a | A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> | 28a | | No |
| b | A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> | 28b | | No |
| c | An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i> | 28c | | No |
| 29 | Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> | 29 | | No |
| 30 | Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> | 30 | | No |
| 31 | Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> | 31 | | No |
| 32 | Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> | 32 | | No |
| 33 | Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> | 33 | | No |
| 34 | Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> | 34 | | No |
| 35 | Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> | 35 | | No |
| 36 | Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> | 36 | | |
| 37 | Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> | 37 | | No |
| 38 | Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O | 38 | Yes | |

Part V

Statements Regarding Other IRS Filings and Tax Compliance

| | | | Yes | No | |
|---|--|---|--------|-----|----|
| 1a | Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable | 1a | 10,380 | | |
| | b | Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable | 1b | | |
| c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? | | | 1c | Yes | |
| 2a | Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return | 2a | 57 | | |
| | b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions) | | | | |
| 3a | Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? | | | 3a | No |
| b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O | | | 3b | | |
| 4a | At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? | | | 4a | No |
| | b If "Yes," enter the name of the foreign country: See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts | | | | |
| 5a | Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? | | | 5a | No |
| b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? | | | 5b | | No |
| c If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction? | | | 5c | | |
| 6a | Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible? | | | 6a | No |
| b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? | | | 6b | | |
| 7 Organizations that may receive deductible contributions under section 170(c). | | | | | |
| a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? | | | 7a | | |
| b If "Yes," did the organization notify the donor of the value of the goods or services provided? | | | 7b | | |
| c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? | | | 7c | | |
| d If "Yes," indicate the number of Forms 8282 filed during the year | | | 7d | | |
| e Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? | | | 7e | | |
| f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | | | 7f | | |
| g For all contributions of qualified intellectual property, did the organization file Form 8899 as required? | | | 7g | | |
| h For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required? | | | 7h | | |
| 8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? | | | 8 | | |
| 9 Sponsoring organizations maintaining donor advised funds. | | | | | |
| a Did the organization make any taxable distributions under section 4966? | | | 9a | | |
| b Did the organization make a distribution to a donor, donor advisor, or related person? | | | 9b | | |
| 10 Section 501(c)(7) organizations. Enter | | | | | |
| a Initiation fees and capital contributions included on Part VIII, line 12 | | | 10a | | |
| b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities | | | 10b | | |
| 11 Section 501(c)(12) organizations. Enter | | | | | |
| a Gross income from members or shareholders | | | 11a | | |
| b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) | | | 11b | | |
| 12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? | | | 12a | | |
| b If "Yes," enter the amount of tax-exempt interest received or accrued during the year | | | 12b | | |

Part VI

Governance, Management, and Disclosure

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

| | | | | |
|----|---|----|-----|----|
| | | | Yes | No |
| 1a | Enter the number of voting members of the governing body | 1a | 12 | |
| b | Enter the number of voting members that are independent | 1b | 12 | |
| 2 | Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? | 2 | Yes | |
| 3 | Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? | 3 | | No |
| 4 | Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? | 4 | | No |
| 5 | Did the organization become aware during the year of a material diversion of the organization's assets? | 5 | | No |
| 6 | Does the organization have members or stockholders? | 6 | Yes | |
| 7a | Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? | 7a | Yes | |
| b | Are any decisions of the governing body subject to approval by members, stockholders, or other persons? | 7b | Yes | |
| 8 | Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following | | | |
| a | The governing body? | 8a | Yes | |
| b | Each committee with authority to act on behalf of the governing body? | 8b | Yes | |
| 9 | Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O | 9 | | No |

Section B. Policies

(This Section B requests information about policies not required by the Internal Revenue Code.)

| | | | | |
|-----|--|-----|-----|----|
| | | | Yes | No |
| 10a | Does the organization have local chapters, branches, or affiliates? | 10a | | No |
| b | If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization? | 10b | | |
| 11 | Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form? | 11 | | No |
| 11A | Describe in Schedule O the process, if any, used by the organization to review the Form 990 | | | |
| 12a | Does the organization have a written conflict of interest policy? If "No," go to line 13 | 12a | Yes | |
| b | Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? | 12b | Yes | |
| c | Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done | 12c | Yes | |
| 13 | Does the organization have a written whistleblower policy? | 13 | Yes | |
| 14 | Does the organization have a written document retention and destruction policy? | 14 | Yes | |
| 15 | Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? | | | |
| a | The organization's CEO, Executive Director, or top management official | 15a | Yes | |
| b | Other officers or key employees of the organization | 15b | | No |
| | If "Yes" to line a or b, describe the process in Schedule O (See instructions) | | | |
| 16a | Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? | 16a | | No |
| b | If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements? | 16b | | |

Section C. Disclosure

| | |
|----|--|
| 17 | List the States with which a copy of this Form 990 is required to be filed ▶ |
| 18 | Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request |
| 19 | Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table. |
| 20 | State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ LINDA JULIEN 205 MAIN STREET SOUTHBRIDGE, MA 015502524 (508) 765-5454 |

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

☐ Check this box if the organization did not compensate any current or former officer, director, trustee or key employee

Form **990** (2009)

| | | | | |
|----|-----------------|---------|---|--------|
| 1b | Total | 704,477 | 0 | 56,639 |
|----|-----------------|---------|---|--------|

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization 2

| | | | |
|---|---|-----|----|
| | | Yes | No |
| 3 | Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> | | No |
| 4 | For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i> | Yes | |
| 5 | Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i> | | No |

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

| (A) Name and business address | (B) Description of services | (C) Compensation |
|----------------------------------|--------------------------------|---------------------|
| | | |
| | | |
| | | |
| | | |
| | | |

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization 0

Part VIII

Statement of Revenue

| | | | | (A) Total revenue | (B) Related or exempt function revenue | (C) Unrelated business revenue | (D) Revenue excluded from tax under sections 512, 513, or 514 | |
|---|--|---|---------------|----------------------|--|---|---|--|
| Contributions, gifts, grants and other similar amounts | 1a | Federated campaigns . . . | 1a | | | | | |
| | b | Membership dues | 1b | | | | | |
| | c | Fundraising events | 1c | | | | | |
| | d | Related organizations | 1d | | | | | |
| | e | Government grants (contributions) | 1e | | | | | |
| | f | All other contributions, gifts, grants, and similar amounts not included above | 1f | | | | | |
| | g | Noncash contributions included in lines 1a-1f \$ _____ | | | | | | |
| | h | Total. Add lines 1a-1f | | | 0 | | | |
| Program Service Revenue | | | Business Code | | | | | |
| | 2a | INTEREST ON LOANS | | 6,591,127 | 6,591,127 | | | |
| | b | FEES & COMMISSIONS | | 750,259 | 750,259 | | | |
| | c | BORROWER'S INSURANCE | | 19,957 | 19,957 | | | |
| | d | | | | | | | |
| | e | | | | | | | |
| | f | All other program service revenue | | | | | | |
| | g | Total. Add lines 2a-2f | | | 7,361,343 | | | |
| Other Revenue | 3 | Investment income (including dividends, interest and other similar amounts) | | 1,824,164 | | | 1,824,164 | |
| | 4 | Income from investment of tax-exempt bond proceeds . . . | | 0 | | | | |
| | 5 | Royalties | | 0 | | | | |
| | 6a | (i) Real | | (ii) Personal | | | | |
| | | 98,832 | | | | | | |
| | | | | | | | | |
| | | 98,832 | | | | | | |
| | d | Net rental income or (loss) | | 98,832 | 98,832 | | | |
| | 7a | (i) Securities | | (ii) Other | | | | |
| | | 26,277,505 | | 6,672,649 | | | | |
| | | 26,592,787 | | 6,640,529 | | | | |
| | | -315,282 | | 32,120 | | | | |
| | d | Net gain or (loss) | | -283,162 | | | -283,162 | |
| | 8a | Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 | | a | | | | |
| | | | | | | | | |
| | | Less direct expenses | | b | | | | |
| | c | Net income or (loss) from fundraising events . . . | | | 0 | | | |
| | 9a | Gross income from gaming activities See Part IV, line 19 | | a | | | | |
| | | | | | | | | |
| | | Less direct expenses | | b | | | | |
| c | Net income or (loss) from gaming activities . . . | | | 0 | | | | |
| 10a | Gross sales of inventory, less returns and allowances | | a | | | | | |
| | | | | | | | | |
| | Less cost of goods sold | | b | | | | | |
| c | Net income or (loss) from sales of inventory . . . | | | 0 | | | | |
| Miscellaneous Revenue | | Business Code | | | | | | |
| 11a | MISCELLANEOUS REVENUE | | | 333,236 | 333,236 | | | |
| b | | | | | | | | |
| c | | | | | | | | |
| d | All other revenue | | | | | | | |
| e | Total. Add lines 11a-11d | | | 333,236 | | | | |
| 12 | Total revenue. See Instructions | | | 9,334,413 | 7,793,411 | | 1,541,002 | |

Part IX

Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

| Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII. | | (A) Total expenses | (B) Program service expenses | (C) Management and general expenses | (D) Fundraising expenses |
|--|---|-----------------------|---------------------------------|--|-----------------------------|
| 1 | Grants and other assistance to governments and organizations in the U S See Part IV, line 21 | 0 | | | |
| 2 | Grants and other assistance to individuals in the U S See Part IV, line 22 | 0 | | | |
| 3 | Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16 | 0 | | | |
| 4 | Benefits paid to or for members | 0 | | | |
| 5 | Compensation of current officers, directors, trustees, and key employees | 704,477 | | 704,477 | |
| 6 | Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) | 0 | | | |
| 7 | Other salaries and wages | 1,524,973 | | 1,524,973 | |
| 8 | Pension plan contributions (include section 401(k) and section 403(b) employer contributions) | 140,428 | | 140,428 | |
| 9 | Other employee benefits | 467,240 | | 467,240 | |
| 10 | Payroll taxes | 187,381 | | 187,381 | |
| 11 | Fees for services (non-employees) | | | | |
| a | Management | 0 | | | |
| b | Legal | 21,230 | | 21,230 | |
| c | Accounting | 119,651 | | 119,651 | |
| d | Lobbying | 0 | | | |
| e | Professional fundraising See Part IV, line 17 | 0 | | | |
| f | Investment management fees | 3,173 | | 3,173 | |
| g | Other | 0 | | | |
| 12 | Advertising and promotion | 182,025 | | 182,025 | |
| 13 | Office expenses | 429,436 | | 429,436 | |
| 14 | Information technology | 429,120 | | 429,120 | |
| 15 | Royalties | 0 | | | |
| 16 | Occupancy | 608,321 | | 608,321 | |
| 17 | Travel | 6,424 | | 6,424 | |
| 18 | Payments of travel or entertainment expenses for any federal, state, or local public officials | 0 | | | |
| 19 | Conferences, conventions, and meetings | 9,283 | | 9,283 | |
| 20 | Interest | 3,296,706 | | 3,296,706 | |
| 21 | Payments to affiliates | 0 | | | |
| 22 | Depreciation, depletion, and amortization | 570,008 | | 570,008 | |
| 23 | Insurance | 0 | | | |
| 24 | Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below) | | | | |
| a | NCUA SHARE INSURANCE | 189,817 | | 189,817 | |
| b | PROVISION FOR LOAN LOSSES | 372,900 | | 372,900 | |
| c | ATM PROCESSING CHARGES | 308,597 | | 308,597 | |
| d | MISCELLANOEUS EXPENSES | 427,197 | | 427,197 | |
| e | | | | | |
| f | All other expenses | | | | |
| 25 | Total functional expenses. Add lines 1 through 24f | 9,998,387 | | 9,998,387 | |
| 26 | Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation | | | | |

Part X

Balance Sheet

| | | | | | (A) | | (B) |
|-----------------------------|--|---|-----|-----------|-------------------|-----|-------------|
| | | | | | Beginning of year | | End of year |
| Assets | 1 | Cash—non-interest-bearing | | | 1,208,456 | 1 | 1,076,517 |
| | 2 | Savings and temporary cash investments | | | 8,547,610 | 2 | 8,669,082 |
| | 3 | Pledges and grants receivable, net | | | | 3 | |
| | 4 | Accounts receivable, net | | | | 4 | |
| | 5 | Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L | | | | 5 | |
| | 6 | Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L | | | | 6 | |
| | 7 | Notes and loans receivable, net | | | 112,723,649 | 7 | 107,432,131 |
| | 8 | Inventories for sale or use | | | | 8 | |
| | 9 | Prepaid expenses and deferred charges | | | 4,399,833 | 9 | 5,346,793 |
| | 10a | Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D | 10a | 9,601,906 | | | |
| | b | Less accumulated depreciation | 10b | 4,522,747 | 5,327,287 | 10c | 5,079,159 |
| | 11 | Investments—publicly traded securities | | | 33,895,142 | 11 | 49,431,180 |
| | 12 | Investments—other securities See Part IV, line 11 | | | | 12 | |
| | 13 | Investments—program-related See Part IV, line 11 | | | | 13 | |
| | 14 | Intangible assets | | | | 14 | |
| | 15 | Other assets See Part IV, line 11 | | | | 15 | |
| | 16 | Total assets. Add lines 1 through 15 (must equal line 34) | | | 166,101,977 | 16 | 177,034,862 |
| Liabilities | 17 | Accounts payable and accrued expenses | | | 491,725 | 17 | 327,915 |
| | 18 | Grants payable | | | | 18 | |
| | 19 | Deferred revenue | | | | 19 | |
| | 20 | Tax-exempt bond liabilities | | | | 20 | |
| | 21 | Escrow or custodial account liability Complete Part IV of Schedule D | | | | 21 | |
| | 22 | Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L | | | | 22 | |
| | 23 | Secured mortgages and notes payable to unrelated third parties | | | | 23 | |
| | 24 | Unsecured notes and loans payable to unrelated third parties | | | | 24 | |
| | 25 | Other liabilities Complete Part X of Schedule D | | | 144,896,694 | 25 | 155,806,754 |
| | 26 | Total liabilities. Add lines 17 through 25 | | | 145,388,419 | 26 | 156,134,669 |
| Net Assets or Fund Balances | Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. | | | | | | |
| | 27 | Unrestricted net assets | | | | 27 | |
| | 28 | Temporarily restricted net assets | | | | 28 | |
| | 29 | Permanently restricted net assets | | | | 29 | |
| | Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 30 through 34. | | | | | | |
| | 30 | Capital stock or trust principal, or current funds | | | | 30 | |
| | 31 | Paid-in or capital surplus, or land, building or equipment fund | | | | 31 | |
| | 32 | Retained earnings, endowment, accumulated income, or other funds | | | 20,713,558 | 32 | 20,900,193 |
| | 33 | Total net assets or fund balances | | | 20,713,558 | 33 | 20,900,193 |
| | 34 | Total liabilities and net assets/fund balances | | | 166,101,977 | 34 | 177,034,862 |

Part XI **Financial Statements and Reporting**

| | Yes | No |
|---|-----|----|
| 1 Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O | | |
| 2a Were the organization's financial statements compiled or reviewed by an independent accountant? . . . | | No |
| b Were the organization's financial statements audited by an independent accountant? | Yes | |
| c If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O | Yes | |
| d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis | | |
| 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? | | |
| b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . . . | | |

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

Attach to Form 990. See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

| | |
|--|--|
| Name of the organization Southbridge Credit Union | Employer identification number 04-2023790 |
|--|--|

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

| | | |
|---|--|--|
| | (a) Donor advised funds | (b) Funds and other accounts |
| 1 | Total number at end of year | |
| 2 | Aggregate contributions to (during year) | |
| 3 | Aggregate grants from (during year) | |
| 4 | Aggregate value at end of year | |
| 5 | Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 6 | Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit | <input type="checkbox"/> Yes <input type="checkbox"/> No |

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

| | |
|---|---|
| 1 | Purpose(s) of conservation easements held by the organization (check all that apply) <input type="checkbox"/> Preservation of land for public use (e g , recreation or pleasure) <input type="checkbox"/> Protection of natural habitat <input type="checkbox"/> Preservation of open space <input type="checkbox"/> Preservation of an historically importantly land area <input type="checkbox"/> Preservation of a certified historic structure |
| 2 | Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year |
| a | Total number of conservation easements |
| b | Total acreage restricted by conservation easements |
| c | Number of conservation easements on a certified historic structure included in (a) |
| d | Number of conservation easements included in (c) acquired after 8/17/06 |
| 3 | Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year |
| 4 | Number of states where property subject to conservation easement is located |
| 5 | Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? |
| 6 | Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year |
| 7 | Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year \$ |
| 8 | Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? |
| 9 | In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements |

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

| | |
|------|--|
| 1a | If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items |
| b | If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items |
| (i) | Revenues included in Form 990, Part VIII, line 1 |
| (ii) | Assets included in Form 990, Part X |
| 2 | If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items |
| a | Revenues included in Form 990, Part VIII, line 1 |
| b | Assets included in Form 990, Part X |

Part III

Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3

Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV and complete the following table

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

| | |
|----|--------|
| | Amount |
| 1c | |
| 1d | |
| 1e | |
| 1f | |

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

| | | | | | |
|----|--|---------------|-------------------|---------------------|--------------------|
| | (a)Current Year | (b)Prior Year | (c)Two Years Back | (d)Three Years Back | (e)Four Years Back |
| 1a | Beginning of year balance | | | | |
| b | Contributions | | | | |
| c | Investment earnings or losses | | | | |
| d | Grants or scholarships | | | | |
| e | Other expenditures for facilities and programs | | | | |
| f | Administrative expenses | | | | |
| g | End of year balance | | | | |

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶ %

b

Permanent endowment ▶ %

c

Term endowment ▶ %

3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by

(i)

unrelated organizations

3a(i)

☐

☐

(ii)

related organizations

3a(ii)

☐

☐

b

If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

3b

☐

☐

4

Describe in Part XIV the intended uses of the organization's endowment funds

Part VI

Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

| Description of investment | (a) Cost or other basis (investment) | (b)Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|--|--------------------------------------|--------------------------------|------------------------------|----------------|
| 1a Land | | 262,600 | | 262,600 |
| b Buildings | | 6,858,514 | 2,536,143 | 4,322,371 |
| c Leasehold improvements | | 4,174 | 4,174 | 0 |
| d Equipment | | 2,476,618 | 1,982,430 | 494,188 |
| e Other | | | | |
| Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) | | | | 5,079,159 |

| Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements | | |
|--|---|------------|
| 1 | Total revenue (Form 990, Part VIII, column (A), line 12) | 19,334,413 |
| 2 | Total expenses (Form 990, Part IX, column (A), line 25) | 9,998,387 |
| 3 | Excess or (deficit) for the year Subtract line 2 from line 1 | -663,974 |
| 4 | Net unrealized gains (losses) on investments | 386,270 |
| 5 | Donated services and use of facilities | |
| 6 | Investment expenses | |
| 7 | Prior period adjustments | |
| 8 | Other (Describe in Part XIV) | 464,339 |
| 9 | Total adjustments (net) Add lines 4 - 8 | 850,609 |
| 10 | Excess or (deficit) for the year per financial statements Combine lines 3 and 9 | 186,635 |

| Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return | | |
|---|--|------------|
| 1 | Total revenue, gains, and other support per audited financial statements | 19,779,716 |
| 2 | Amounts included on line 1 but not on Form 990, Part VIII, line 12 | |
| a | Net unrealized gains on investments2a-54,697 | |
| b | Donated services and use of facilities2b | |
| c | Recoveries of prior year grants2c | |
| d | Other (Describe in Part XIV)2d500,000 | |
| e | Add lines 2a through 2d2e445,303 | |
| 3 | Subtract line 2e from line 139,334,413 | |
| 4 | Amounts included on Form 990, Part VIII, line 12, but not on line 1 | |
| a | Investment expenses not included on Form 990, Part VIII, line 7b4a | |
| b | Other (Describe in Part XIV)4b | |
| c | Add lines 4a and 4b4c | |
| 5 | Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)59,334,413 | |

| Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return | | |
|--|---|------------|
| 1 | Total expenses and losses per audited financial statements | 19,998,387 |
| 2 | Amounts included on line 1 but not on Form 990, Part IX, line 25 | |
| a | Donated services and use of facilities2a | |
| b | Prior year adjustments2b | |
| c | Other losses2c | |
| d | Other (Describe in Part XIV)2d | |
| e | Add lines 2a through 2d2e | |
| 3 | Subtract line 2e from line 139,998,387 | |
| 4 | Amounts included on Form 990, Part IX, line 25, but not on line 1: | |
| a | Investment expenses not included on Form 990, Part VIII, line 7b4a | |
| b | Other (Describe in Part XIV)4b | |
| c | Add lines 4a and 4b4c | |
| 5 | Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)59,998,387 | |

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

| Identifier | Return Reference | Explanation |
|--------------------------------------|-----------------------------|---|
| Change in unfunded pension liability | Schedule D page 4 Part XI | For financial statement purposes the change in the unfunded pension liability is recorded as an change in Other Comprehensive income. The change is \$19,036 |
| 2008 security writedown now realized | Schedule d Part XII Line 2d | In 2008 the Credit Union wrote down certain marketible securities to fair market value as required by accounting pronouncements. \$500,000 was written off to surplus on the Credit Union's 990 return. In 2009 those securities were sold |
| 2008 security writedown reversal | Schedule D Part XI line 8 | In 2008 the Credit Unio writedown securities to market as required by accounting pronouncements. In 2009 these assets were sold & the realized loss is now report on Part VIII Line 7c. Therefore the write-off adjustment from 2008 is reversed for tax reporting purposes |
| 2009 impairment losses | Schedule D part XI line 8 | In 2009 the Credit Union recorded \$54,697 in impairment losses. For 990 purposes, this is being moved to surplus from part VII |

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2009

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization
Southbridge Credit Union

Employer identification number

04-2023790

Part I

Questions Regarding Compensation

| | | | |
|----|---|-----|-----|
| | | Yes | No |
| 1a | Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input checked="" type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div> | | |
| b | If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain | 1b | Yes |
| 2 | Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a? | 2 | Yes |
| 3 | Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply. <div><div><input type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Written employment contract</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Compensation survey or study</div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div> | | |
| 4 | During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization: | | |
| a | Receive a severance payment or change-of-control payment? | 4a | No |
| b | Participate in, or receive payment from, a supplemental nonqualified retirement plan? | 4b | No |
| c | Participate in, or receive payment from, an equity-based compensation arrangement? | 4c | No |
| | If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III | | |
| | Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9. | | |
| 5 | For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of: | | |
| a | The organization? | 5a | |
| b | Any related organization? | 5b | |
| | If "Yes," to line 5a or 5b, describe in Part III | | |
| 6 | For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of: | | |
| a | The organization? | 6a | |
| b | Any related organization? | 6b | |
| | If "Yes," to line 6a or 6b, describe in Part III | | |
| 7 | For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III | 7 | |
| 8 | Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53.4958-4(a)(3)? If "Yes," describe in Part III | 8 | |
| 9 | If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? | 9 | |

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

[illegible]

Part III

Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

| Identifier | Return Reference | Explanation |
|--|--|--|
| Guidelines for Out of the Area Education, Training and Travel Expenses | Schedule J Page 1 Part I Line 1b | General. Out of area Education/Training/Travel expenses will be covered for the duration of the conference or sessions and shall include reasonable time before and after the event for travel to and from, usually one day if needed. Travel. Travel to and from events will usually be by commercial air carrier. Reservations should be made timely whenever possible to take advantage of special fares. Private automobiles may/should be used when air travel is not available or other persons are traveling to the same conference, making auto travel more economical or it is more economical and practical. Hotel. Room charges will be covered at the site of the conference or alternative site if primary site is not available. Taxi, Bus, Rental Car, or Shuttle. Reasonable transportation expenses to, from and during the conference or meeting will be reimbursed. Transportation in conjunction with the event generally will be hotel shuttle or bus. Taxis or rental cars may be used when it is more economical and/or practical for the reasonable convenience and comfort of the traveler. Parking and Toll Charges. Airport parking for personal vehicles when using air travel will be paid by the credit union. Toll charges will be paid by the credit union. Miscellaneous. All miscellaneous expenses will be itemized and explained, such as baggage handling, tips, official phone messages and brief calls home. Tips. Reasonable tipping will be a covered expense. Tips are normally added to meals and will be shown on the receipts. Other tips will need to be itemized for consideration of reimbursement. Meals. Actual cost of meals, including tips, during the time of attendance and travel will be allowed. A daily limit of \$200 may be allowed for out of town travel. Auto Travel. Mileage reimbursement rate is based on the current IRS rate. All requests for mileage reimbursement will detail the miles driven, along with the business justification. Receipts. All receipts will be attached to justify expenses. All expenses, regardless of how paid, will be noted with the justification for business purpose and dates. Expenses claimed without a receipt will be kept to a minimum and subject to denial. Pursuant to IRS rules, unsubstantiated expenses in excess of \$30 per day may be taxable income for the individual. Expense Forms. All claimed expenses by a director must be submitted on the proper expense claim form and be approved by the Audit Committee and ratified by the Board of Directors. Audit Committee expenses will be approved by the Board Chair. Files for each director with appropriate expense documentation will be kept in the Accounting Department which is a controlled area. These files will be available to Examiners, Auditors, and the Members. Prohibited Entertainment Expenses. Expenses not reimbursable during business travel will include magazines, movies, books, newspapers, and any other nonbusiness related expense will not be reimbursed. Reporting to the Membership. At the Annual Members' Meeting, director expenses shall be reported as a whole. An aggregate of the expenses by type will be reported to include but not be limited to meetings, travel, lodging, etc. Revised by the Board of Directors on May 19, 2009. |
| Travel for companions policy | Schedule J Page 1 Part I Line 1a | One immediate family member or significant other travel expenses will be allowed up to one trip per year in addition to a credit union related convention and the credit union annual planning session. |
| Substantiation required for reimbursement | Schedule J Page 1 Part I Line 2 | Receipts. All receipts will be attached to justify expenses. All expenses, regardless of how paid, will be noted with the justification for business purpose and dates. Expenses claimed without a receipt will be kept to a minimum and subject to denial. Pursuant to IRS rules, unsubstantiated expenses in excess of \$30 per day may be taxable income for the individual. Expense Forms. All claimed expenses by a director must be submitted on the proper expense claim form and be approved by the Audit Committee and ratified by the Board of Directors. Audit Committee expenses will be approved by the Board Chair. Files for each director with appropriate expense documentation will be kept in the Accounting Department which is a controlled area. These files will be available to Examiners, Auditors, and the Members. Prohibited Entertainment Expenses. Expenses not reimbursable during business travel will include magazines, movies, books, newspapers, and any other nonbusiness related expense will not be reimbursed. Reporting to the Membership. At the Annual Members' Meeting, director expenses shall be reported as a whole. An aggregate of the expenses by type will be reported to include but not be limited to meetings, travel, lodging, etc. |

SCHEDULE O
(Form 990)Department of the Treasury
Internal Revenue Service**Supplemental Information to Form 990****Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.**
▶ **Attach to Form 990.**

OMB No 1545-0047

2009**Open to Public
Inspection****Name of the organization**
Southbridge Credit Union**Employer identification number**

04-2023790

| Identifier | Return Reference | Explanation |
|-------------------------------|--------------------------------------|---|
| Director relationships | Page 6 Part VI Section A Line 2 | Name of Director Denise R Cournoyer Name of Related Entity Russell W Cournoyer Title or Role Director Relationship Father In Law Name of Director Russell W Counoyer Name of Related Entity Denise R Cournoyer Title or Role Director Relationship Daughter In Law |
| Review of Form 990 | Page 6 Part VI Section A Line 10 | Review of Form 990 By Board Approval Form 990 will be reviewed by Southbridge Credit Union's Treasurer/CFO or President/CEO prior to being filed |
| Compensation of President/CEO | Page 6 Part VI Section B Line 15a | COMPENSATION OF PRESIDENT/CEO The Southbridge Credit Union's Personnel Committee completes an employee evaluation on the President/CEO and then the evaluation and compensation recommendation is brought to the Southbridge Credit Union's Board for approval The President/CEO completes an employee evaluation for all other Southbridge Credit Union's Officers and approves the compensation staying within the current year's budget which had been approved by the Board of Directors |
| Documents available to public | Page 6 Part VI Section C Line 19 | Southbridge Credit Union's Audit Committee signs a monthly Income Statement which is posted in the lobby of each branch location the third week of each month All other governing documents and conflict of interest policy is available upon request |
| Loans | Page 3 Part IV Line 26 | Some of the officers and directors have loans outstanding with the Credit Union These loans were obtained in the ordinary course of business with the same terms as are available to all members As per instructions for Schedule L these loans are not to be scheduled |
| Members | Pg 6 Part VI Line 6 7a 7b | Line 6 - The Credit Unions is a members only credit Union chartered in Massachusetts Membership in the Southbridge Credit Union is available to persons, businesses and organizations that are either residing, working or operating within our sphere of operation This is the Massachusetts counties of Worcester, Bristol, Franklin, Hampshire, Norfolk, Hampden and Middlesex, and within a 25-miles radius of our Main Branch, in Southbridge, which borders Connecticut Line 7a & 7b - The members vote for the board of directors at the annual meeting and vote on all business presented at the annual meeting |

Form

4797

Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return. ▶ See separate instructions.

OMB No 1545-0184

2009

Attachment Sequence No 27

Department of the Treasury
Internal Revenue Service (99)

Name(s) shown on return
Southbridge Credit Union

Identifying number
04-2023790

1

Enter the gross proceeds from sales or exchanges reported to you for 2009 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions)

1

Part I

Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year (see instructions)

| 2 | (a) Description of property | (b) Date acquired (mo , day, yr) | (c) Date sold (mo , day, yr) | (d) Gross sales price | (e) Depreciation allowed or allowable since acquisition | (f) Cost or other basis, plus improvements and expense of sale | (g) Gain or (loss) Subtract (f) from the sum of (d) and (e) |
|---|--|-----------------------------------|-------------------------------|-----------------------|---|--|---|
| 2 | | | | | | | |
| 3 | Gain, if any, from Form 4684, line 43 | | | | | | 3 |
| 4 | Section 1231 gain from installment sales from Form 6252, line 26 or 37 | | | | | | 4 |
| 5 | Section 1231 gain or (loss) from like-kind exchanges from Form 8824 | | | | | | 5 |
| 6 | Gain, if any, from line 32, from other than casualty or theft | | | | | | 6 |
| 7 | Combine lines 2 through 6 Enter the gain or (loss) here and on the appropriate line as follows | | | | | | 7 |
| | Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9 Skip lines 8, 9, 11, and 12 below | | | | | | |
| | Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9 If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below | | | | | | |
| 8 | Nonrecaptured net section 1231 losses from prior years (see instructions) | | | | | | 8 |
| 9 | Subtract line 8 from line 7 If zero or less, enter -0- If line 9 is zero, enter the gain from line 7 on line 12 below If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions) | | | | | | 9 |

Part II

Ordinary Gains and Losses (see instructions)

10

Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less)

| | | | | |
|---------------|------------|------------|-----------|-----------|
| SALE OF LOANS | 01-15-2009 | 09-30-2009 | 6,672,649 | 6,640,529 |
|---------------|------------|------------|-----------|-----------|

| | | | |
|----|---|-----|--------|
| 11 | Loss, if any, from line 7 | 11 | () |
| 12 | Gain, if any, from line 7, or amount from line 8, if applicable | 12 | |
| 13 | Gain, if any, from line 31 | 13 | |
| 14 | Net gain or (loss) from Form 4684, lines 35 and 42a | 14 | |
| 15 | Ordinary gain from installment sales from Form 6252, line 25 or 36 | 15 | |
| 16 | Ordinary gain or (loss) from like-kind exchanges from Form 8824 | 16 | |
| 17 | Combine lines 10 through 16 | 17 | 32,120 |
| 18 | For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below For individual returns, complete lines a and b below | | |
| a | If the loss on line 11 includes a loss from Form 4684, line 39, column (b)(ii), enter that part of the loss here Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23 Identify as from “Form 4797, line 18a ” See instructions | 18a | |
| b | Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a Enter here and on Form 1040, line 14 | 18b | |

Part III

Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255
(see instructions)

| | | | | | | |
|---|---|---|-----------------------------------|------------|-------------------------------|------------|
| 19 | | (a) Description of section 1245, 1250, 1252, 1254, or 1255 property | (b) Date acquired (mo , day, yr) | | (c) Date sold (mo , day, yr) | |
| A | | | | | | |
| B | | | | | | |
| C | | | | | | |
| D | | | | | | |
| These columns relate to the properties on lines 19A through 19D | | | Property A | Property B | Property C | Property D |
| 20 | Gross sales price (Note: See line 1 before completing) | 20 | | | | |
| 21 | Cost or other basis plus expense of sale . . . | 21 | | | | |
| 22 | Depreciation (or depletion) allowed or allowable | 22 | | | | |
| 23 | Adjusted basis Subtract line 22 from line 21 . . . | 23 | | | | |
| 24 | Total gain Subtract line 23 from line 20 . . . | 24 | | | | |
| 25 If section 1245 property: | | | | | | |
| a | Depreciation allowed or allowable from line 22 | 25a | | | | |
| b | Enter the smaller of line 24 or 25a | 25b | | | | |
| 26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291 | | | | | | |
| a | Additional depreciation after 1975 (see instructions) . . . | 26a | | | | |
| b | Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions) | 26b | | | | |
| c | Subtract line 26a from line 24 If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e | 26c | | | | |
| d | Additional depreciation after 1969 and before 1976 . . . | 26d | | | | |
| e | Enter the smaller of line 26c or 26d | 26e | | | | |
| f | Sections 291 amount (corporations only) | 26f | | | | |
| g | Add lines 26b, 26e, and 26f | 26g | | | | |
| 27 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership) | | | | | | |
| a | Soil, water, and land clearing expenses | 27a | | | | |
| b | Line 27a multiplied by applicable percentage (see instructions) . . . | 27b | | | | |
| c | Enter the smaller of line 24 or 27b | 27c | | | | |
| 28 If section 1254 property: | | | | | | |
| a | Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion (see instructions) | 28a | | | | |
| b | Enter the smaller of line 24 or 28a | 28b | | | | |
| 29 If section 1255 property: | | | | | | |
| a | Applicable percentage of payments excluded from income under section 126 (see instructions) | 29a | | | | |
| b | Enter the smaller of line 24 or 29a (see instructions) | 29b | | | | |
| Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30. | | | | | | |
| 30 | Total gains for all properties Add property columns A through D, line 24 | 30 | | | | |
| 31 | Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b Enter here and on line 13 . . . | 31 | | | | |
| 32 | Subtract line 31 from line 30 Enter the portion from casualty or theft on Form 4684, line 37 Enter the portion from other than casualty or theft on Form 4797, line 6 | 32 | | | | |

Part IV

Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less
(see instructions)

| | | | |
|----|---|-----------------|------------------------|
| | | (a) Section 179 | (b) Section 280F(b)(2) |
| 33 | Section 179 expense deduction or depreciation allowable in prior years | 33 | |
| 34 | Recomputed depreciation (see instructions) | 34 | |
| 35 | Recapture amount Subtract line 34 from line 33 See the instructions for where to report | 35 | |

Additional Data

Software ID:

Software Version:

EIN: 04-2023790

Name: Southbridge Credit Union

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

| (A) Name and Title | (B) Average hours per week | (C) Position (check all that apply) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|---|-------------------------------|--|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
| | | Individual trustee or director | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| ROBERT A GIROUARD DIRECTOR | 1 0 | X | | | | | | 0 | 0 | 0 |
| EDWARD GALONEK CHAIRMAN | 6 0 | X | | | | | | 10,000 | 0 | 0 |
| WILLIAM M BROWN DIRECTOR | 3 0 | X | | | | | | 0 | 0 | 0 |
| DENISE R COURNOYER SECOND VICE CHAIRPERSON | 3 0 | X | | | | | | 0 | 0 | 0 |
| RUSSELL W COURNOYER DIRECTOR | 3 0 | X | | | | | | 0 | 0 | 0 |
| RICHARD F DIGREGORIO DIRECTOR | 2 0 | X | | | | | | 0 | 0 | 0 |
| JOHN G AREITIS DIRECTOR | 1 0 | X | | | | | | 0 | 0 | 0 |
| RICHARD H GENEREAUX DIRECTOR | 1 0 | X | | | | | | 0 | 0 | 0 |
| RONALD L LEDOUX FIRST VICE CHAIRPERSON | 4 0 | X | | | | | | 0 | 0 | 0 |
| JOHN A LAFLECHE DIRECTOR | 2 0 | X | | | | | | 0 | 0 | 0 |
| DANIEL S MATTE DIRECTOR | 3 0 | X | | | | | | 0 | 0 | 0 |
| MADALINE I DAOUST DIRECTOR | 1 0 | X | | | | | | 0 | 0 | 0 |
| THOMAS J SMALARZ PRESIDENT CEO | 45 0 | | | X | X | | | 288,308 | 0 | 6,314 |
| TERRY D LISLE TREASURER CFO | 45 0 | | | X | X | | | 92,008 | 0 | 11,545 |
| KIMBERLY A QUINN CHIEF OPERATIONS OFFICER | 40 0 | | | X | X | | | 86,633 | 0 | 16,754 |
| KATHY A KROMMER | 40 0 | | | X | X | | | 92,116 | 0 | 11,583 |
| JEFFREY A DAVENPORT PRESIDENT CEO | 45 0 | | | X | X | | | 135,412 | 0 | 10,443 |